

**Report on the Operation and Status of the
Government Securities Investment Fund
February 20 to May 28, 2003
Pursuant to 5 U.S.C. § 8438(h)**

June 27, 2003

On February 20, 2003, Treasury's outstanding debt reached the statutory limit of \$6,400 billion. In order to protect the full faith and credit of the United States, the Secretary of the Treasury employed statutory authority to suspend investments in the Government Securities Investment Fund (G-Fund) of the federal employees' Thrift Savings Plan. On May 27, 2003, the debt issuance suspension period ended when President Bush signed legislation increasing the statutory debt limit to \$7,384 billion (P.L. 108-24). The G-Fund was fully restored on May 28, 2003.

Legal authority: Section 8438(g)(1) of Title 5, United States Code, authorizes the Secretary of the Treasury to "suspend the issuance of additional amounts of obligations of the United States [in the G-Fund], if such issuances could not be made without causing the public debt of the United States to exceed the public debt limit, as determined by the Secretary of the Treasury." The statute defines the period of this suspension as a "debt issuance suspension period." § 8438(g)(6)(B).

Reporting requirement: Section 8438(h)(1) requires submission of a report to Congress on the operation and status of the G-Fund during this period. The report is to be made "as soon as possible after the expiration of such period, but not later than 30 days after the first business day after the expiration of such period." This document fulfills the reporting requirement of 5 U.S.C. § 8438(h). A copy of this report is being concurrently transmitted to the Executive Director of the Federal Retirement Thrift Investment Board.

Restoration requirement: Section 8438(g) requires the Secretary to make the G-Fund whole upon expiration of a debt issuance suspension period. Treasury must immediately issue obligations sufficient to ensure that the G-Fund's portfolio replicates what it would have been if the suspension had not occurred. § 8438(g)(3). Treasury must also pay the G-Fund, on the first business day after the expiration of the debt issuance suspension period, the interest that the fund would have earned. § 8438(g)(4).

Status and operations: As shown on Attachment 1, throughout this period, all or a portion of the G-Fund's holdings could not be re-invested without exceeding the debt limit. Treasury has now replicated the portfolio the G-Fund would have held but for the suspension, and has paid the G-Fund \$362,478,377.37 for interest it would have earned, accounting for receipts and withdrawals.

The table included as Attachment 1 details the daily and cumulative amounts of G-Fund principal and interest that were suspended and restored. With the restoration of \$50,048,937,000 in principal on May 27 and of \$362,478,377.37 in interest on May 28, the G-Fund was fully restored to the condition it would have been in had there not been a debt issuance suspension period.

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Attachment 1

**Status of the
Government Securities Investment Fund
February 20, 2003 - May 28, 2003**

Date	<u>Principal</u>		<u>Interest</u>	
	Daily (Suspension) or Restoration	Cumulative (Suspension)	Daily (Suspension) or Restoration	Cumulative (Suspension)
February 20, 2003	(\$8,507,443,000)	(\$8,507,443,000)	(\$974,811)	(\$974,811)
February 21, 2003	\$397,848,000	(\$8,109,595,000)	(\$2,788,008)	(\$3,762,820)
February 24, 2003	(\$335,035,000)	(\$8,444,630,000)	(\$968,045)	(\$4,730,865)
February 25, 2003	(\$3,547,031,000)	(\$11,991,661,000)	(\$1,374,587)	(\$6,105,451)
February 26, 2003	\$984,291,000	(\$11,007,370,000)	(\$1,261,961)	(\$7,367,412)
February 27, 2003	(\$14,596,304,000)	(\$25,603,674,000)	(\$2,934,599)	(\$10,302,011)
February 28, 2003	(\$6,673,262,000)	(\$32,276,936,000)	(\$11,098,738)	(\$21,400,749)
March 3, 2003	(\$2,984,737,000)	(\$35,261,673,000)	(\$3,797,831)	(\$25,198,580)
March 4, 2003	(\$7,339,309,000)	(\$42,600,982,000)	(\$4,588,235)	(\$29,786,815)
March 5, 2003	\$16,072,419,000	(\$26,528,563,000)	(\$2,858,711)	(\$32,645,526)
March 6, 2003	(\$9,620,343,000)	(\$36,148,906,000)	(\$3,894,542)	(\$36,540,068)
March 7, 2003	\$2,750,777,000	(\$33,398,129,000)	(\$10,796,612)	(\$47,336,680)
March 10, 2003	(\$2,287,809,000)	(\$35,685,938,000)	(\$3,846,290)	(\$51,182,970)
March 11, 2003	(\$3,135,587,000)	(\$38,821,525,000)	(\$4,184,215)	(\$55,367,185)
March 12, 2003	\$3,356,617,000	(\$35,464,908,000)	(\$3,823,363)	(\$59,190,548)
March 13, 2003	(\$11,266,785,000)	(\$46,731,693,000)	(\$5,036,519)	(\$64,227,067)
March 14, 2003	\$325,049,000	(\$46,406,644,000)	(\$15,006,219)	(\$79,233,286)
March 17, 2003	\$27,630,889,000	(\$18,775,755,000)	(\$2,029,530)	(\$81,262,816)
March 18, 2003	(\$7,589,594,000)	(\$26,365,349,000)	(\$2,846,684)	(\$84,109,500)
March 19, 2003	\$5,244,850,000	(\$21,120,499,000)	(\$2,282,441)	(\$86,391,941)
March 20, 2003	(\$16,769,399,000)	(\$37,889,898,000)	(\$4,087,726)	(\$90,479,666)
March 21, 2003	(\$169,192,000)	(\$38,059,090,000)	(\$12,319,132)	(\$102,798,798)
March 24, 2003	(\$1,564,821,000)	(\$39,623,911,000)	(\$4,276,139)	(\$107,074,937)
March 25, 2003	(\$4,290,755,000)	(\$43,914,666,000)	(\$4,738,451)	(\$111,813,389)
March 26, 2003	\$3,013,849,000	(\$40,900,817,000)	(\$4,414,554)	(\$116,227,943)
March 27, 2003	(\$5,379,948,000)	(\$46,280,765,000)	(\$4,994,121)	(\$121,222,063)
March 28, 2003	\$2,932,503,000	(\$43,348,262,000)	(\$14,037,021)	(\$135,259,085)
March 31, 2003	(\$6,053,892,000)	(\$49,402,154,000)	(\$5,332,152)	(\$140,591,237)
April 1, 2003	\$9,563,765,000	(\$39,838,389,000)	(\$4,442,109)	(\$145,033,346)
April 2, 2003	(\$7,025,734,000)	(\$46,864,123,000)	(\$5,223,240)	(\$150,256,585)
April 3, 2003	(\$2,928,151,000)	(\$49,792,274,000)	(\$5,549,170)	(\$155,805,756)
April 4, 2003	\$0	(\$49,792,274,000)	(\$16,643,012)	(\$172,448,767)
April 7, 2003	\$0	(\$49,792,274,000)	(\$5,548,130)	(\$177,996,897)
April 8, 2003	\$1,475,810,000	(\$48,316,464,000)	(\$5,384,858)	(\$183,381,755)
April 9, 2003	(\$1,550,787,000)	(\$49,867,251,000)	(\$5,561,181)	(\$188,942,936)
April 10, 2003	\$0	(\$49,867,251,000)	(\$5,515,848)	(\$194,458,784)
April 11, 2003	\$0	(\$49,867,251,000)	(\$16,597,893)	(\$211,056,677)

Date	<u>Principal</u>		<u>Interest</u>	
	Daily (Suspension) or Restoration	Cumulative (Suspension)	Daily (Suspension) or Restoration	Cumulative (Suspension)
April 14, 2003	\$0	(\$49,867,251,000)	(\$5,527,147)	(\$216,583,823)
April 15, 2003	\$19,017,925,000	(\$30,849,326,000)	(\$3,426,218)	(\$220,010,041)
April 16, 2003	\$731,954,000	(\$30,117,372,000)	(\$3,370,820)	(\$223,380,862)
April 17, 2003	\$7,217,009,000	(\$22,900,363,000)	(\$2,569,305)	(\$225,950,167)
April 18, 2003	(\$896,630,000)	(\$23,796,993,000)	(\$8,007,648)	(\$233,957,815)
April 21, 2003	(\$2,946,019,000)	(\$26,743,012,000)	(\$2,997,441)	(\$236,955,256)
April 22, 2003	(\$3,584,406,000)	(\$30,327,418,000)	(\$3,396,042)	(\$240,351,297)
April 23, 2003	(\$1,794,693,000)	(\$32,122,111,000)	(\$3,595,829)	(\$243,947,126)
April 24, 2003	\$9,320,325,000	(\$22,801,786,000)	(\$2,560,637)	(\$246,507,764)
April 25, 2003	(\$674,531,000)	(\$23,476,317,000)	(\$7,907,608)	(\$254,415,372)
April 28, 2003	(\$1,513,052,000)	(\$24,989,369,000)	(\$2,804,865)	(\$257,220,237)
April 29, 2003	(\$1,085,503,000)	(\$26,074,872,000)	(\$2,925,788)	(\$260,146,025)
April 30, 2003	(\$14,434,585,000)	(\$40,509,457,000)	(\$4,529,956)	(\$264,675,981)
May 1, 2003	\$15,090,042,000	(\$25,419,415,000)	(\$2,853,788)	(\$267,529,769)
May 2, 2003	\$8,763,731,000	(\$16,655,684,000)	(\$5,641,071)	(\$273,170,840)
May 5, 2003	(\$3,417,862,000)	(\$20,073,546,000)	(\$2,260,746)	(\$275,431,587)
May 6, 2003	(\$4,725,667,000)	(\$24,799,213,000)	(\$2,786,072)	(\$278,217,658)
May 7, 2003	\$327,536,000	(\$24,471,677,000)	(\$2,749,988)	(\$280,967,647)
May 8, 2003	\$5,980,883,000	(\$18,490,794,000)	(\$2,085,751)	(\$283,053,398)
May 9, 2003	\$378,412,000	(\$18,112,382,000)	(\$6,131,812)	(\$289,185,210)
May 12, 2003	(\$882,019,000)	(\$18,994,401,000)	(\$2,142,621)	(\$291,327,831)
May 13, 2003	(\$8,480,583,000)	(\$27,474,984,000)	(\$3,085,146)	(\$294,412,976)
May 14, 2003	\$2,973,063,000	(\$24,501,921,000)	(\$2,755,148)	(\$297,168,125)
May 15, 2003	(\$25,408,653,000)	(\$49,910,574,000)	(\$5,578,638)	(\$302,746,763)
May 16, 2003	\$0	(\$49,910,574,000)	(\$16,736,580)	(\$319,483,343)
May 19, 2003	\$0	(\$49,910,574,000)	(\$5,580,870)	(\$325,064,213)
May 20, 2003	\$8,562,323,000	(\$41,348,251,000)	(\$4,630,368)	(\$329,694,581)
May 21, 2003	(\$1,074,472,000)	(\$42,422,723,000)	(\$4,750,269)	(\$334,444,850)
May 22, 2003	(\$7,626,214,000)	(\$50,048,937,000)	(\$5,598,154)	(\$340,043,004)
May 23, 2003	\$0	(\$50,048,937,000)	(\$22,395,103)	(\$362,438,106)
May 27, 2003	\$50,048,937,000	\$0	(\$40,271)	(\$362,478,377)
May 28, 2003	\$0	\$0	\$362,478,377	\$0